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V. A. Dudhedia & Co. ***Chartered Accountants***

INDEPENDENT AUDITOR'S REPORT

To,
The Principal,
Anekant Education Society,
TuljaramChaturchand College,
Senior & Junior College (Grantable),
Baramati - 413102

1. Report on the Financial Statements

We have audited the attached financial statements of **Anekant Education Society's, Tuljaram Chaturchand College, Senior & Junior College (Grantable)** which comprise the Balance Sheet as at **March 31, 2020** Income and Expenditure A/c for the year then ended, which we have signed under reference to this report and the annexure to this report attached herewith.

2. Management's Responsibility for the Financial Statements

The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Society in accordance with the Accounting Standards as issued by the Accounting Standards Board, Institute of Chartered Accountants of India; Bombay Public Trust Act, 1950; Societies Registration Act, 1860; Income Tax Act, 1961 and circulars issued by Government of Maharashtra – Education Department in this regard. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

3.1 Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing and other authoritative pronouncements issued by the Institute of Chartered Accountants of India.

Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

- 3.2 An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.
- 3.3 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the accompanying financial statements read with the significant accounting policies followed by the College give a true and fair view in conformity with the accounting principles generally accepted in India subject to Annexure attached herewith.

- i) In the case of Balance Sheet of the state of affairs of the College as on 31st March, 2020 and
ii) In the case of Income & Expenditure A/c, of the College for the year ended on that date.

For, M/s. V.A. Dudhedia & Co
Chartered Accountants
Firm Registration No. 112450W


V. A. Dudhedia
(Partner)

Membership No.: 013989

Place: Pune

Date: 04-02-2021



ANNEXURE TO AUDIT REPORT

PART A: ISSUES IN FINANCIAL ACCOUNTING, REPORTING AND FAIR PRESENTATION:

1) **Mercantile System of Accounting:**

The institution is neither following mercantile system nor Cash system of accounting, it is following hybrid of system accounting wherein certain aspects of accounting were done on Cash Basis and certain on mercantile basis.

2) **Deposits of Students :**

The management is recommended to formulate and implement a policy to write off refundable deposits if unclaimed within specified duration. The duration should be arrived upon after studying the probabilities of old students turning up to claim deposits. The same should also be mentioned on refund deposits receipts given to students.

3) **Tax Deducted at Source:**

TDS to be deducted at the time of payment or credit whichever is earlier. When the TDS is made on advance payments that can be adjusted while booking the bill against that advance payment whether in the same financial or in the next financial year.

Sr. No.	Head	Amount	Remarks
1.	Audit Fees	59000.00	TDS Not Deducted

4) **Apportionment of Expenses:**

Telephone expenses, Electricity expenses, Generator diesel bills etc. are apportioned to all sections randomly. The institute, at present, has a practice of making these payments from the section wherever surplus funds are available. However, this practice hampers the section wise performance. Therefore, there should be a standard basis for apportionment of these expenses.

5) **Muster Register:**

It has been observed during the audit that whitener is used in attendance sheet at some places and overwriting is also done. It is advised to not to use the whitener and do not overwrite as on the basis of attendance sheet the salary gets calculated.

6) Service Book:

During the period of audit while verifying the service books of the employee it was observed that the service books of some of the employee are not the updated

7) Physical Verification of Assets:

As per information received, the management is not conducting the physical verification of the assets. It is advised that the verification should be done immediately at the year end and the report of physical verification conducted by the management should be ready for verification at the time of audit.

During the verification it was also observed that the numbering was not done on the asset purchase only year of purchase is mentioned it is advice that the serial numbering should be done on the asset as per the fixed asset register.

8) Fixed Asset Register:

During Course of audit it was observed that Fixed Asset Register was not maintained by the management. It is advice that the fixed asset register should be maintained with details of depreciation should be shown in the register for proper presentation so as to show the actual depreciated value in the register. Asset balance as on the year end shown in register should match with the balance shown in books of accounts. The Fixed Asset Register should also mention the details about location of the asset, deletion and scrap of asset etc. The Fixed Asset Register should be maintained asset wise so as to match the balances asset wise as shown in books.

9) Biometrics:

During the course of audit it has been observed from the biometric records that biometric details were not used for attendance calculations. Use of biometrics help in marking the proper attendance of the employees.

During the course of audit it has been observed from the biometric records that few of the employees who have punched in to mark their attendance, have not punched out while leaving the institute. It creates a dilemma in the records of biometrics and does not help in marking the proper attendance of the employees. It has also been observed that there are some

discrepancies regarding attendance in comparison between the muster and the biometric report.

Similarly during the audit it was observed that every employee is required to be in office for 5 hours a day but some of the employee's working hour not completed.

10) Fees Receivable as on March 31, 2020:

➤ **Senior Grant:**

Sr. No.	As On	Amount Receivable
1	31 March 2020	55,94,726.00
2	31 March 2019	43,52,126.00

➤ **Junior Grant**

Sr. No.	As On	Amount Receivable
1	31 March 2020	8,67,679.00
2	31 March 2019	8,69,611.00

11) Fees Receivable From Government :

During the course of audit it was observed that fees received from government was not allocated correctly by Scholarships Division which should be allocated properly on basis of actual number of students with respected colleges. Also accountant had not provided reconciliation statement for the same so we cannot comment on the same.

12) Stock Register :

During the courses of audit it was found that Stock Register viz. Chemical Purchase Register, Stationary Register, Forms Register, etc. are not maintained properly by the college. Therefore, it fails to give clarification of stock available to college and stock issued to particular departments. For maintaining stock, it was found that college has been equipped with software which is not been updated with accurate stock availability status. It is suggested to the college that the concern person should update the stock Register and Software on basis of actual stock which will help to track the availability and requirement of stock.

13) Deposits with Telephone:

Details of deposits maintained in books were not received. The same should be matched with bills every year and updated accordingly. Details should also be mentioned at each year end.

14) Utilization of Book Bank Fund:

The books given to student for use, if lost or damaged by the student, the amount is recovered from the student towards such damage. The amount such received is accounted in Book Bank Fund and the amount of Fund is increased. Now when the new books are purchased in order to replace the damaged books, the same is accounted as new book is purchased and depreciation is claimed on the same, whereas no own funds are used by the institution, as they are utilizing the amount recovered from student. So, this accounting practice followed by the institution needs to be changed. If the same practice is followed, it will only lead to the accumulation of Book Bank Fund and no utilization of the same.

The following transaction should be recorded as follows:

On damage of the books, the institute should write off the amount from the Asset of Library books instead of increasing the funds and on purchase of new books they should increase the amount of Asset and then claim depreciation on the same. This is the correct way of accounting for the transaction.

15) Daily Wage Payments:

a. Various workers are working in the college for providing gardening and sweeping services. They are not on payroll of college. They are paid for their services on monthly basis .Any document supporting the compliance of Minimum Wages Act was not available for verification like appointment process or remuneration etc.

b. Employee Provident Fund Contribution of Daily Wages Payment :

As per definition of an employee u/s- 2(f) of the Employees Provident Funds and Miscellaneous Provisions Act, 1952 means any person who is employed for wages in any kind of work, manual or otherwise, in or in connection with the work of an establishment, the provident fund authorities always insist upon the principal employers to ensure that the contractors as engaged must pay the provident fund contributions and in case of non-payment, the principal employers are held liable.

During the courses of audit it was observed that our establishment receives services from contractor's i.e. Balaji Security Service &Sairaj Services. It is suggested that management should periodically review whether principal employer has paid provident fund of the employee.

16) Integration of Software and Tally:

The management is recommended to find a solution for bridging the gap in software in use for fee collection and Financial Accounting Software (Tally). If done so, the workload of Accounts will be reduced to a major extent as there would be no need to enter fees manually. Also same can ensure Real time accounting of Fees in spite of load in admissions period.

PART B: SECTION SPECIFIC REMARKS IN COLLEGE

• SENIOR COLLEGE – GRANT SECTION

1) Prize-Fund:

During the course of audit it was observed that the accounting and utilization of the prize fund is not done properly. Interest on the FD against Prize fund should be utilized for the prize given to the students. FD done against the fund are on cumulative interest basis hence the yearly expenses of the prize is paid from college account and not from the fund income

2) Advance to Staff:

During the course of audit it was observed that the advances given to the staff was not recovered from long period

For Exp,

Dr.Chitale R. D.

Dr Kanade M B

3) Account Written-off:

During the period of Audit some of the amount had been written off with the permission of the authority.

For Exp.

1. Equipment Grant From University

4) Opening Of Inter Branch:

While conducting the audit it was observed that the opening balance of AES Ladies Hostel was not match with the Senior Grant section it is advice to take ledger confirmation from the respective section while finalizing accounts.

5) Scholarship:

Reconciliation of scholarship received from the government and payable to students is not prepared, the balance lying in such accounts must be thoroughly analyzed and taken care off. The ledger named 'Scholarship Account' is showing a credit balance of RS. 26089126/- which means said amount is payable to students. However, the Management does not have the listing of students to whom it is payables the transactions being too old and untraceable. Thus, we were not able to verify the same and cannot comment on the legitimacy of said balance.

- **UNIVERSITY EXAM**

- 1) **TDS Not Deducted:**

During the course of audit it was observed that TDS of G.A. Satav & Co.LLP was not deducted

- **UNIVERSITY GRANT COURSES**

- 1) **Non-Utilization of Grant.**

The college has received following Grant from the university in earlier years. But the management was unable to get Municipal Permission for the construction of the same. So management is required to take proper action for refund of same to the university at the earliest. Also, the amount so refundable has to be paid along with interest for the period unutilized.

Here is the list of Grants remained unutilized:

Sr.No	Purpose of Grant	Amount Received
1	Toilet Block Building Grant	2,50,000/-
2	Ladies Staff Room Grant	1,50,000/-

- 2) **Opening Balance of amount Rs.95,90,331/-.**

There was found an opening balance of Grant Received from UGC amounted to Rs. **95,90,331/-**. During the course of audit it was found that college fails to provide requirement of records against grant of RS. **95,90,331/-**. It is suggested that college should trace the Details of Grant considering the period in which grant received, the purpose for which it was received and utilize the grant accordingly. In case the college is unable to trace, it is suggested to refund the Grant amount.

- 3) **Plan for Allocation Grant Amount:**

The college receives huge Grants every year for development purpose on installment basis for specific period of time. During courses of audit it was found that there is no proper planning for utilization of Grant which led to adjustment of transfer of eligible invoices booked in Non Grant against Grant at the time of formation of utilization certificate. To avoid unnecessary adjustments it is suggested that Management along with UGC team should prepare plan for allocation of Grant amount as per the applicable norms and utilize accordingly.

4) Account Written-off

During the period of Audit some of the amount had been written off with the permission of the authority.

5) Unutilized Grant :

During the course of audit it was observed that the grants received by institute and its corresponding expenditures are not routed through a single ledger and hence the amount of unutilized grant cannot be determined.

We are thankful for the co-operation received from the administrative staff during our audit.

**For, M/s. V. A. Dudhedia & Co.
Chartered Accountants
Firm Registration No. 112450W**




**V. A. Dudhedia
(Partner)**

Membership No.: 013989

Place: Pune

Date: 04-02-2021

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V. A. Dudhedia & Co. ***Chartered Accountants***

INDEPENDENT AUDITOR'S REPORT

To,
The Principal,
Anekant Education Society,
Tuljaram Chaturchand College,
Senior & Junior College (Non Grantable),
Baramati – 413102

1. Report on the Financial Statements

We have audited the attached financial statements of **Anekant Education Society's, Tuljaram Chaturchand College, Senior & Junior College (Non-Grantable)** which comprise the Balance Sheet as at **March 31, 2020**, & Income and Expenditure A/c for the year then ended, which we have signed under reference to this report and the annexure to this report attached herewith.

2. Management's Responsibility for the Financial Statements

The Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position and financial performance of the Society in accordance with the Accounting Standards as issued by the Accounting Standards Board, Institute of Chartered Accountants of India; Bombay Public Trust Act, 1950; Societies Registration Act, 1860; Income Tax Act, 1961 and circulars issued by Government of Maharashtra – Education Department in this regard. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditor's Responsibility

3.1 Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing and other authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain

reasonable assurance about whether the financial statements are free from material misstatement.

- 3.2 An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the financial statements.
- 3.3 We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the accompanying financial statements read with the significant accounting policies followed by the College give a true and fair view in conformity with the accounting principles generally accepted in India subject to Annexure attached herewith.

- i) In the case of Balance Sheet of the state of affairs of the College as on 31st March, 2020 and
ii) In the case of Income & Expenditure A/c, of the surplus of the College for the year ended on that date.

For, M/s. V. A. Dudhedia & Co.
Chartered Accountants
Firm Registration No. 112450W


V.A. Dudhedia
(Partner)

Membership No.: 013989

Place: Pune

Date: 04-02-2021



ANNEXURE to Audit Report

PART A: ISSUES IN FINANCIAL ACCOUNTING, REPORTING AND FAIR PRESENTATION

1) Deposits of Students:

The management is recommended to formulate and implement a policy to write off refundable deposits if unclaimed within specified duration. The duration should be arrived upon after studying the probabilities of old students turning up to claim deposits. The same should also be mentioned on refund deposits receipts given to students.

Particular	Balance as on 31 march, 2020
Senior Non Grant	6,86,750
Junior Non Grant	89,39,235

2) Tax Deducted At Source (TDS):

TDS to be deducted at the time of payment or credit whichever is earlier. When the TDS is made on advance payments that can be adjusted while booking the bill against that advance payment whether in the same financial or in the next financial year.

Sr. No.	Head	Amount	Remarks
1.	Audit Fees	59000.00	TDS Not Deducted

3) Apportionment of Expenses:

Telephone expenses, Electricity expenses, Generator diesel bills etc. are apportioned to all sections randomly. The institute, at present, has a practice of making these payments from the section wherever surplus funds are available. However, this practice hampers the section wise performance. Therefore, there should be a standard basis for apportionment of these expenses.

4) Service Book:

During the period of audit while verifying the service books of the employee it was observed that the service book of some of the employee are not the updated

For exp,

Senior Non Grant-

1. Shri. Salunkhe Ashok Shamrao
2. Miss. Mode Yogini Chandrakant

5) Muster Register:

It has been observed during the audit that whitener is used in attendance sheet at some places and overwriting is also done. It is advised to not to use the whitener and do not overwrite as on the basis of attendance sheet the salary gets calculated.

6) Biometrics:

During the course of audit it has been observed from the biometric records that biometric details were not used for attendance calculations. Use of biometrics help in marking the proper attendance of the employees.

During the course of audit it has been observed from the biometric records that few of the employees who have punched in to mark their attendance, have not punched out while leaving the institute. It creates a dilemma in the records of biometrics and does not help in marking the proper attendance of the employees. It has also been observed that there are some discrepancies regarding attendance in comparison between the muster and the biometric report.

Similarly during the audit it was observed that every employee is required to be in office for 5 hours a day but some of the employee's working hour not completed.

7) Utilization of Book Bank Fund:

The books given to student for use, if lost or damaged by the student then the amount is recovered from the student towards such damage. The amount such received is accounted in Book Bank Fund and the amount of Fund is increased. Now when the new books are purchased in order to replace the damaged books, the same is accounted as new book is purchased and depreciation is claimed on the same, whereas no funds are spent by the institution, as they are utilizing the amount recovered from student. So, this accounting practice should be changed.

The following transaction should be recorded as follows:

On damage of the books, the institute should write off the amount from the Asset of Library books instead of increasing the funds and on purchase of new books they should increase the amount of Asset and then claim depreciation on the same. This is the correct way of accounting for the transaction.

8) Physical Verification of Assets:

As per information received, the management is not conducting the physical verification of the assets. It is advised that the verification should be done immediately at the year end and the report of physical verification conducted by the management should be ready for verification at the time of audit.

During the verification it was also observed that the numbering was not done on the asset purchase only year of purchase is mentioned it is advice that the serial numbering should be done on the asset as per the fixed asset register.

9) Fixed Asset Register:

During Course of audit it was observed that Fixed Asset Register was not maintained by the management. It is advice that the fixed asset register should be maintained with details of depreciation should be shown in the register for proper presentation so as to show the actual depreciated value in the register. Asset balance as on the year end shown in register should match with the balance shown in books of accounts. The Fixed Asset Register should also mention the details about location of the asset, deletion and scrap of asset etc. The Fixed Asset Register should be maintained asset wise so as to match the balances asset wise as shown in books.

10) Depreciation:

Depreciation is calculated on ad-hoc basis. Detailed working of depreciation should be maintained asset-wise each year for correct calculation of depreciation. Every year depreciation is calculated on the gross value of asset in spite of taking into consideration the assets written off completely. Due to such calculation it may happen that depreciation will be excessively or double charged. It is advised that proper calculation should be done for the depreciation.

11) Visiting Staff Register:

During the period of audit it was observed that the register for visiting staff and guest lecturer is not maintain it is advice that the register should be maintain in proper format.

12) LC /TC Register:

During the period of audit it was observed that the register for leave certificate is not maintain it is advice that the register should be maintain in proper format.

13) Fees Receivable as on March 31, 2020:

As per Information received, following are the details of Fees Receivable as on March 31, 2020:

➤ **Senior Non Grant:**

Sr. No.	As On	Amount Receivable
1	31 March 2020	1,99,71,561.00
2	31 March 2019	1,75,41,281.00

➤ **Junior Non Grant:**

Sr. No.	As On	Amount Receivable
1	31 March 2020	8,51,779.00
2	31 March 2019	8,54,669.00

14) Fees Receivable From Government:

During the course of audit it was observed that fees received from government was not allocated correctly by Scholarships Division which should be allocated proportionately on basis of actual number of students with respected colleges. Also accountant had not provided reconciliation statement for the same so we cannot comment on this figure.

➤ **Junior Non Grant:**

Sr. No.	As On	Amount Receivable
1	31 March 2020	1,92,496.00
2	31 March 2019	1,01,644.00

➤ **Senior Non Grant:**

Sr. No.	As On	Amount Receivable
1	31 March 2020	2,23,56,976.00
2	31 March 2019	1,25,97,696.00

15) Integration of Software and Tally:

The management is recommended to find a solution for bridging the gap in software in use for fee collection and Financial Accounting Software (Tally). If done so, the workload of Accounts will be reduced to a major extent as there would be no need to enter fees manually. Also same can ensure Real time accounting of Fees in spite of load in admissions period.

16) Bifurcation of expenses:

Some of the payments pertaining to F.Y 2019-20 were paid in the current year like insurance expenses or subscription for periodicals and magazines. However, the payments made were completely expensed out in this year instead of bifurcating into pre-paid and current year expenses.

17) Software Training:

It was observed that the staffs handling the student fee collection software were not ably trained to make use of various important features included in the software such as "Pending Fee Dues Report", "Class-wise Fee Receipts", etc.

18) Daily Wage Payments:

a. Various workers are working in the college for providing gardening and sweeping services. They are not on payroll of college. They are paid for their services on monthly basis. Any document supporting the compliance of Minimum Wages Act was not available for verification like appointment process or remuneration etc.

b. Employee Provident Fund Contribution of Daily Wages Payment :

As per definition of an employee u/s- 2(f) of the Employees Provident Funds and Miscellaneous Provisions Act, 1952 means any person who is employed for wages in any kind of work, manual or otherwise, in or in connection with the work of an establishment, the provident fund authorities always insist upon the principal employers to ensure that the contractors as engaged must pay the provident fund contributions and in case of non-payment, the principal employers are held liable.

During the courses of audit it was observed that our establishment receives services from contractor's i.e. Balaji Security Service & Sairaj Services. It is suggested that management should periodically review whether principal employer has paid provident fund of the employee.

19) Advance to Staff :

During the course of audit it was observed that the advances given to the staff was not recovered from long period

For Exp,

Advance given to Shri. Bhosale Vikas Sawalaram was not recovered from long period.

20) Transfer of Expenses :

During course of audit it was observed that some expenses transferred from non grant section to grant section (university government grant) without any resolution or noting.

21) Deposits:

No supporting were available for verifying the balances of various deposits, so unable to comment on these figures.

Sr. No	Particulars	Section	Amount
1	Telephone Deposit (BSNL)	Senior Non Grant	1671.00

We are thankful for the co-operation received from the administrative staff during our audit.

For M/s.V.A. Dudhedia & Co.
Chartered Accountants
Firm Registration No. 112450W



V. A. Dudhedia
(Partner)
Membership No.: 013989
Place: Pune
Date: 04-02-2021